

Moneyless Society

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possible an international "paper gold" currency. Also a part of the movement to weaken and finally destroy our national currency is the action proposed by William McChesney Martin, chairman of the Board of Governors of the Federal Reserve System. On June 26 he recommended that the gold certificate reserve requirement of not less than 25 per cent against Federal Reserve notes be repealed; so that the gold thus released could be used to pay off claims by foreigners on our dwindling gold supply — all of this in the interests of keeping the dollar strong on the international exchange while it goes to pot at home. Commented Walter E. Spahr of the conservative and anti-Keynesian Economists' National Committee on Monetary Policy:

"It seems clear, at least to this author, that the Martin proposal is a typical part of the stream of events, largely government engineered, which has been carrying this nation toward serious trouble, possibly catastrophe. That stream, marked chiefly by wars and currency depreciation, seems to have had its origin in our participation in the war which erupted in 1914. The spread and growing force of that stream of developments have accompanied our participation in that and other wars and the emergence of our attitude to the effect that we were somehow appointed to be the chief administrator of the affairs of most or all people of this world. The Martin proposal, if adopted by Congress, would seem to be an event relatively near a day of reckoning. In that eventuality, the United States as a nation may be confronted with the catastrophe which lack of wisdom and recklessness have been inviting."

We agree with Mr. Spahr, save in one respect: we are not so certain that it is "lack of wisdom" which is destroying our currency. Might it not be suspected that these Keynesians are not fools at all; that, instead, they have moved with exceeding great wisdom from 1914 onward to bring about this very catastrophe which we face; and for the pre-planned purpose of creating a moneyless world society? All that has stopped them is the lack of an efficient computer and a data bank system to make the necessary book-keeping easy!

There is one thing which has always amazed us about this "new economics." Its advocates have so semanticized and complicated their writings that the average layman finds it impossible to know what they're talking about. But after much study, prayer and meditation, one begins to know of what they speak and write; and then the whole conglomeration of words and ideas and plans seem so utterly stupid and so sure of bringing about utter economic and financial disaster, that no intelligent person could possibly approve of the "new economics," unless there was knowledge of a hidden, ulterior purpose to be served through deliberately wrecking a country's economic and financial structure!

Let us give you an example, which is easily understood once the semanticized gook is reduced to basic English:

They call it the compensatory principle of fiscal and monetary management. It works like this: economic stability and prosperity can be had (so they say) only if the government compensates for the failures of private enterprise. Exactly when and how private enterprise has failed; and why government is supposed to compensate for any such hypothetical failure, is all a matter of assumption; you're supposed to take it on faith and without proof, that private enterprise has or is going to fail. To prevent this failure, the government must take over fiscal and monetary management of the country. This is a form of dictatorship, no matter how thin you slice it; but we are supposed to assume that government has got to run the economy, because private enterprise is supposed to have failed.

A chief feature of this theory (and it is only a theory, remember) is that in times of prosperity and full employment, the government's budgetary program should yield a surplus, taxes should be high and government spending should be reduced, and there should be pressures against an expansion of currency. In other words, when the times are good, government should be building up a re-

serve "nest egg" to take care of the coming rainy days.

But this doesn't work and has never worked. The government — any government — never lives within its means regardless of the prosperity which may or may not surround the country. The idea of a government saving up for bad times, is a pipe dream. Governments aren't made that way; and in any decently run government, it has no business meddling in such things in the first place. Government's job is law and justice, not finance and economics. But, let's go on —

On the converse side of this Keynesian coin; in times of business recession and unemployment, then government spending is supposed to be increased, the Federal budget should show a deficit, the currency in circulation should be expanded. This is known as "spending ourselves into prosperity," which proved to be a total flop in the 1930's and we had to go to war to bail ourselves out — and we have been at war ever since to keep ourselves bailed out: Cold, Korean, Vietnamese, and now Racial War to bolster the economy, and to justify the "new economics"!

Now, this theory of the "compensatory principle of fiscal and monetary management" has two chief characteristics; and here we again quote Walter Spahr when he spoke before the New Jersey Bar Association back in June, 1951:

"(1) It (the theory we've been discussing) would require a centralized planning agency, with the power to act — and this would mean government dictatorship. Congress would be compelled to abdicate and to place its constitutional duties and prerogatives in the hands of this central planning and enforcement agency with practically absolute power over the nation's fiscal and monetary affairs (this has been accomplished since 1951 — Ed.) (2) The theory is essentially academic in nature, for in practice it has proved to be a drive in one direction — that of persistently heavy Federal spending, an unbalanced Federal budget year after year, heavy taxes, persistent monetization of much of the Federal debt, a persistent depreciation of the dollar (this was said in 1951 — time has proved the truth of the statement — Ed.).

"Nevertheless, the principles of compensatory government planning are still discussed with the utmost seriousness by a large proportion of our economists just as though they are working, or can be made to work. Furthermore, the fact that such a theory involves a totalitarian form of execution is a matter that they apparently assume need not be discussed. Presumably, such planning, control, and management are supposed to be acceptable and accepted without question as to their wisdom." (End of quotation).

We have the same disagreement with Dr. Spahr. He speaks of lack of wisdom. We believe there was exceeding great wisdom behind the moves that led us to disaster and the resultant "moneyless society" which is planned for us. These Planners are not fools; we believe with the late FDR that it was planned that way; planned with wisdom, forethought and premeditation.

However — despite the careful planning and the almost perfect execution of the plans since 1914; despite the fact that we, generally, no longer recognize the difference between the objective standards of right and wrong, and the subjective standards of dictatorship; the idea of a "moneyless society" just won't work, because of that God-given though sinned attribute which is called human nature. Animals don't engage in much trade or barter, or giving gifts to loved ones, or hiding personal extravagances from others. But humans always have and always will. If there is no such thing as money; then society will create something that will serve as money; and no government can stop it.

But what society calls money is always something which has intrinsic value to society: salt, tea, tobacco, cows, gold, silver. Only governments can declare that irredeemable pieces of paper or book entries or credit cards will be called money. And therein lies the seed of destruction of any money-less society.

DOUGLAS M. SMITH LETTER

For the Timing and Selection of Stock Trading
By the Smith Index of Money Factors, World
Political and Economic Forces

THE DECLINE AND FALL OF THE UNITED STATES UNDER JOHNSON

It is quite evident that few people realize the danger that investors and those with their life savings in banks, insurance policies and bonds (except convertibles) are facing today because of the policies forced upon them by President Johnson. Our present economy is the result of monetary and credit inflation and the Vietnam war.

The administration's desire to do away with the 25 per cent Gold reserve behind our currency is the final step that will make our currency Fiat money (irredeemable paper money made legal tender by law) which will give Johnson unlimited printing press money. John Law, Exchequer of France during the early 18th century, did away with Gold as reserves and kept continuously pumping in more Fiat paper money to keep the economy going, but it eventually bankrupts the nation. Again the leaders of the French Revolution put their Fiat money policy into effect. In 1770, the French Assembly's propaganda for Fiat money was that "it would bring back into the public treasury, into commerce, and into all branches of industry, strength, abundance and prosperity." The politicians said of their Fiat francs "they will soon be considered better than the coin (Gold) now hoarded." French writers stated in 1790 that "doubling the quantity of money or substitutes for money in a nation simply increases prices, disturbs values, alarms capital, diminishes legitimate enterprise, and so decreases the demand both for products and labor." The French "Louis d'Or" (a Gold coin of 25 francs) was worth 15,000 francs in paper money in 1795. The French Government was bankrupt and at war when Bonaparte accepted the Consulship. He stated "while I live I will never resort to irredeemable paper." I wrote about this in August 1966.

Our nation has lost its prestige in the world. Johnson is forcing our Armed Forces in Vietnam to fight a war without permitting them to win by occupying North Vietnam. Our brave men are dying because of this and the fact that this war is being used to keep the economy going so that he and his Congressional minions can get elected in 1968. The world laughs at the silly idea that Johnson can dictate to them when the United States is fast disintegrating under his policies. Nero fiddled while Rome burned and Johnson "plays politics." Our men die in Vietnam, our cities burn, stores are looted, our streets are unsafe at night, and yet the public does nothing to stop him. Republican Governor Romney of Michigan refused to protect the public in Detroit because he lacked the initiative to order the National Guard and Police to clear the streets at all cost to protect the public, which in those areas was largely colored people, who needed the protection. Instead he played politics and tried to "pass the buck." The soldiers and police could have handled the situation if given the order to do so. Don't let anyone tell you differently. I served in World Wars I and II, as an officer in the French Foreign Legion, and know what soldiers can do. So who would want Romney to be their president? My ancestors were Colonels, Captains and Lieutenants in the French and Indian Wars, the Revolutionary War and the Civil War. I can't stand aside and see Johnson destroy our nation.

In my opinion the Republicans have no man strong or courageous enough to do what is necessary. The only man I know of today who could defeat Johnson and his Congressional minions is Ex-Governor George Wallace of Alabama. Only Wallace can rally the people behind a Third Party to give us a sound dollar redeemable in Gold (as in Switzerland and France), bring back "Law and Order" and impeach the Supreme Court for usurping the powers of Congress.

Bonds will collapse and your life savings will be destroyed under Fiat money as the purchasing power of the dollar drops, and don't let any politician tell you differently.

**L.B.J. FIDDLING WHILE
U.S.A. ROTS AWAY!**